

ASX Release

Charter Hall Long WALE REIT – Notification to Ineligible Securityholders

24 May 2021

Charter Hall WALE Limited
ACN 610 772 202
AFSL 486721

Responsible Entity of Charter
Hall Long WALE REIT

Level 20, No.1 Martin Place
Sydney NSW 2000
GPO Box 2704 Sydney NSW
2001

T +61 2 8651 9000
F +61 2 9221 4655

www.charterhall.com.au

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Dear Securityholder

Charter Hall Long WALE REIT Entitlement Offer – Notification to Ineligible Securityholders

On Tuesday, 18 May 2021, Charter Hall WALE Limited as responsible entity ("**Responsible Entity**") of the managed investment schemes comprising Charter Hall Long WALE REIT ("**CLW**") announced a capital raising by way of a fully underwritten 1 for 10.68 accelerated non-renounceable entitlement offer ("**Entitlement Offer**") of new stapled securities ("**New Securities**") (to raise approximately \$250 million) at an offer price of \$4.65 per New Security (the "**Offer**").

The proceeds from the Offer will be used to partially fund the acquisition of 50% interests in four modern, long WALE suburban office and life sciences properties, as summarised below:

- 25 Cowlshaw Street, Tuggeranong, ACT, leased to Services Australia, for \$153.0 million;
- 913 Whitehorse Road, Box Hill, VIC, primarily leased to the Australian Taxation Office, for \$115.0 million;
- 17 O'Riordan Street, Alexandria, NSW, leased to the Australian Red Cross, for \$79.5 million; and
- 520 Smollett Street, Albury, NSW, primarily leased to the Australian Taxation Office, for \$42.5 million.

In addition, the REIT has also settled the acquisition of a 100% interest in an Ampol anchored long WALE convenience retail property in Redbank Plains, QLD, for \$25.4 million (together the "**Acquisitions**"). The total consideration of the Acquisitions is \$415.4 million and reflects a weighted average passing yield of 5.2%.

Key highlights of the Acquisitions include:

- long leases to high quality covenants, increasing the REIT's proportion of Government tenants from 16% to 21% of income and introducing two new high quality tenants in the Australian Red Cross and Ampol;
- the Acquisitions' weighted average rent review of 3.6% are accretive to CLW's portfolio WARR, and provide secure growing income;
- well located, Eastern Seaboard properties diversified across NSW, VIC, ACT and QLD; and
- modern properties with high sustainability ratings.

The Entitlement Offer comprises an institutional entitlement offer ("**Institutional Entitlement Offer**") and an offer to Eligible Retail Securityholders (as defined below) to participate on the same terms

("Retail Entitlement Offer"). The Entitlement Offer is being made by the Responsible Entity in accordance with section 1012DAA of the *Corporations Act 2001* (Cth) ("**Corporations Act**") (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84), meaning that no product disclosure statement or other disclosure document needs to be prepared and issued alongside the Offer. The Institutional Entitlement Offer has already closed and the result has been announced to the Australian Securities Exchange ("**ASX**").

The Offer is fully underwritten by Citigroup Global Markets Australia Pty Limited and Morgan Stanley Australia Securities Limited ("**Underwriters**").

This notice is to inform you about the Retail Entitlement Offer and to explain why you will not be able to subscribe for New Securities under the Retail Entitlement Offer. This letter is not an offer to issue New Securities to you, nor an invitation for you to apply for New Securities. You are not required to do anything in response to this letter.

Details of the Retail Entitlement Offer

The Retail Entitlement Offer is being made to Eligible Retail Securityholders (as defined below) on the basis of 1 New Security for every 10.68 existing securities held at 7.00pm (AEDT) on Thursday, 20 May 2021 ("**Record Date**"). Documents relating to the Retail Entitlement Offer were lodged with the ASX on Monday, 24 May 2021 and are being mailed to Eligible Retail Securityholders.

Eligibility criteria

CLW has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A(3)(a) of the Corporations Act, that it would be unreasonable to make offers to securityholders in countries other than Australia and New Zealand in connection with the Retail Entitlement Offer having regard to:

- (a) the relatively small number of securityholders in the other jurisdictions where the Retail Entitlement Offer would be made;
- (b) the number and value of securities for which such securityholders would otherwise have been entitled; and
- (c) the costs of complying with the legal and regulatory requirements in each other jurisdiction where the Retail Entitlement Offer would be made.

Securityholders who are eligible to participate in the Retail Entitlement Offer ("**Eligible Retail Securityholders**") are securityholders who:

- are registered as a holder of securities as at 7.00pm (AEDT) on the Record Date;
- have a registered address in Australia or New Zealand as listed on CLW's security register on the Record Date;
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds securities in CLW for the account or benefit of such person in the United States);
- were not institutional securityholders eligible to participate under the Institutional Entitlement Offer (and were not treated as an ineligible institutional securityholders under the Institutional Entitlement Offer); and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without a product disclosure statement, disclosure document or any lodgement, filing, registration or qualification.

CLW may (at its absolute discretion) extend the Retail Entitlement Offer to certain institutional securityholders in foreign jurisdictions who did not participate in the institutional component of the Entitlement Offer (subject to compliance with applicable laws).

Unfortunately, CLW has determined that you do not satisfy the eligibility criteria for an Eligible Retail Securityholder stated above. Accordingly, CLW wishes to advise you that it will not be extending the Retail Entitlement Offer to you and you will not be able to subscribe for New Securities under the Retail Entitlement Offer. You will also not be sent the retail offer document relating to the Retail Entitlement Offer nor be able to subscribe for New Securities under the Retail Entitlement Offer.

Notwithstanding the above, CLW may agree to extend the Retail Entitlement Offer to certain institutional shareholders in foreign jurisdictions who did not participate in the Institutional Entitlement Offer subject to compliance with applicable laws. As the Retail Entitlement Offer is non-renounceable, you will not receive any payment or value for entitlements in respect of any New Securities that would have been offered to you if you were eligible. New Securities equivalent to the number of New Securities you would have been entitled to if you were an Eligible Retail Securityholder will be allocated to the Underwriters or to persons from whom the Underwriter has procured subscriptions for New Securities, pursuant to the underwriting arrangements between CLW and the Underwriters.

Further information

If you have any questions in relation to any of the above matters, please contact the Charter Hall Long WALE REIT Offer Information Line on +61 1300 303 063 from 8.30am to 5.30pm (AEDT), Monday to Friday. For other questions, you should contact your stockbroker, accountant, taxation advisor, financial adviser or other professional adviser.

On behalf of the Board and management of Charter Hall WALE Limited, thank you for your continued support of CLW.

Yours faithfully,



Mark Bryant

General Counsel and Company Secretary, Charter Hall WALE Limited as responsible entity of the Charter Hall Long WALE REIT

Announcement Authorised by the Company Secretary

Charter Hall Long WALE REIT (ASX: CLW)

Charter Hall Long WALE REIT is an Australian Real Estate Investment Trust (REIT) listed on the ASX and investing in high quality Australasian real estate assets that are predominantly leased to corporate and government tenants on long term leases.

Charter Hall Long WALE REIT is managed by Charter Hall Group (ASX:CHC). With over 29 years' experience in property investment and funds management, we're one of Australia's leading fully integrated property groups. We use our property expertise to access, deploy, manage and invest equity across our core sectors - office, industrial & logistics, retail and social infrastructure.

Operating with prudence, Charter Hall Group has carefully curated a \$46.4 billion diverse portfolio of 1,395 high quality, long leased properties. Partnership and financial discipline are at the heart of our approach. Acting in the best interest of customers and communities, we combine insight and inventiveness to unlock hidden value. Taking a long term view, our \$7 billion development pipeline delivers sustainable, technologically enabled projects for our customers.

The impacts of what we do are far-reaching. From helping businesses succeed by supporting their evolving workplace needs, to providing investors with superior returns for a better retirement, we're powered by the drive to go further.

Important notices

This announcement is not financial product or investment advice, a recommendation to acquire new securities or accounting, legal or tax advice. It does not constitute an invitation or offer to apply for securities. It has been prepared without taking into account the objectives, financial or tax situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial and tax situation and needs and seek legal and taxation advice appropriate for their jurisdiction. The REIT is not licensed to provide financial product advice in respect of an investment in securities.

Not for distribution or release in the United States

This announcement has been prepared for publication in Australia and may not be distributed or released in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or to any person who is acting for the account or benefit of any person in the United States (to the extent such person is acting for the account or benefit of a person in the United States). Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 (US Securities Act) and may not be offered or sold, directly or indirectly, in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable US state securities laws.

Forward-Looking Statements

This announcement includes forward-looking statements, including earnings guidance for FY21 and FY22. These forward-looking statements are based on the REIT's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of the REIT, which could cause actual results to differ materially from such statements. The REIT makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement to reflect the circumstances or events after the date of this announcement.

You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by COVID-19.

For further enquiries, please contact
Avi Anger
Fund Manager
Charter Hall Long WALE REIT
T +61 2 8651 9111
avi.anger@charterhall.com.au

For investor enquiries, please contact
Philip Cheetham
Head of Listed Investor Relations
Charter Hall
T +61 403 839 155
philip.cheetham@charterhall.com.au

For media enquiries, please contact
Adrian Harrington
Head of Capital and Product Development
Charter Hall
T + 61 410 489 072
adrian.harrington@charterhall.com.au
